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3) Gov't to take over selection process from working group

NIKKEI (Page 1) (Full)

February 23, 2010

The government will end discussion in the government/ruling party working group examining sites for relocation of the U.S. military's Futenma base in Okinawa Prefecture after the group presents candidate sites at its next meeting to be held shortly. The government will take over the work of examination and, after

coordination with the U.S. and the municipalities at the relocation sites, it plans to reach a formal agreement at a Japan-U.S. summit as early as the end of May.

The government's examination will center on the Defense Ministry's careful review of the feasibility of relocation to the inland area of Camp Schwab (Nago City, Okinawa), which was floated within the ruling parties. The government has adopted a stance of prioritizing the implementation of a plan judged to be highly feasible in spite of a backlash in Okinawa and the Social Democratic Party's demand for relocation outside the prefecture or Japan. Defense Minister Toshimi Kitazawa, at a Lower House Budget Committee meeting on Feb. 22, reiterated his position that it would be desirable if the government/ruling party working group decided on a relocation site this month.

4) Lack of unity in government exposed over timing for deciding possible relocation sites for Futenma airfield

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TOKYO SHIMBUN (Page 2) (Abridged)  
February 23, 2010

A lack of unity in the government was exposed yesterday over the timing for deciding on possible relocation sites for the U.S. Marine Corps Futenma Air Station in Ginowan City, Okinawa Prefecture. Defense Minister Toshimi Kitazawa called for the work to be done by the end of February, but Chief Cabinet Secretary Hirofumi Hirano indicated that a decision should be made in March.

In a meeting yesterday of the House of Representatives Budget Committee, Kitazawa said: "Even if we decide on possible alternatives by the end of February, there will be only three months left (until the end of May). Since we will be chiefly responsible for negotiations with Okinawa and the U.S., the Defense Ministry would at least like to have that many days."

The Defense Ministry, which will engage in negotiations together with the Foreign Ministry in the run-up to the deadline of late May that has been promised to the U.S., hopes to have as many days as possible for the negotiations.

Meanwhile, Hirano, who heads the examination committee on Okinawa base issues of the government and ruling coalition, said in a press conference yesterday: "The committee has not decided to draw (a conclusion) by the end of February." He ruled out Kitazawa's earlier statement and indicated his desire to draw a conclusion within March.

For the prime minister's office, the passage of the fiscal 2010 budget bill through the Lower House is vital. It would be undesirable if unity in the ruling coalition were disrupted before the passage of the bill as a result of the government hurriedly deciding on possible alternatives. That is why the government postponed the planned submission of proposals from political parties at a committee meeting on Feb. 17.

An official of the prime minister's office said: "The government has no intention to hold the next committee meeting this week," revealing that the government will delay the selection of possible alternatives to sometime in March.

Even so, the more the government delays its decision on a plan out of consideration for the other coalition members, the more the time for negotiations with the U.S. government and affected municipalities will be reduced.

5) Hirano expresses willingness to coordinate views on Futenma issue with U.S. behind closed doors

YOMIURI (Page 4) (Full)  
February 23, 2010

Chief Cabinet Secretary Hirofumi Hirano has come to grips with the task of exploring possible relocation sites for the U.S. Marine

Corps' Futenma Air Station in Okinawa Prefecture, in a drive to come up with a conclusion by the end of May. Hirano seems to have finally realized the difficulty of coordination. In a press conference yesterday, he expressed his willingness to address the issue in a cautious manner, indicating that the government would carry out coordination with the U.S. behind closed doors. Even in such a case,

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Okinawa and the concerned municipalities could criticize the government as "disregarding their wishes."

In the press conference, Hirano said: "It is conceivable that a conclusion might not be reached if information is leaked while coordination is under way. Given this, we must proceed with discretion." Defense Minister Toshimi Kitazawa has called on the government to decide possible alternatives within this month. In this connection, Hirano stopped short of mentioning any definite deadline, saying: "We have not yet decided on whether to draw a conclusion in February or not."

6) Ishiba criticizes the government's discussion on Futenma that has drifted off course

MAINICHI (Page 5) (Full)  
February 23, 2010

Ryuko Tadokoro

Liberal Democratic Party Policy Research Council Chairman Shigeru Ishiba gave a talk at the Midland Mainichi Forum held by Mainichi Shimbun Co. in Nagoya on Feb. 22. During his talk, Ishiba criticized the government's discussion on the Futenma issue which has drifted off course, saying: "(The government) should try to obtain Okinawa's acceptance of the relocation plan even if it has to plead. From a security standpoint, trying to please everyone is absolutely unacceptable."

7) Maintenance of deterrence requires discussion of three nonnuclear principles

MAINICHI (Page 2) (Excerpts)  
February 23, 2010

Now that the United States is moving in the direction of scrapping its Tomahawk missiles, a situation is likely to be avoided for the time being in which compliance with the principle of not allowing nuclear weapons to enter Japanese territory, one of the country's three nonnuclear principles, is called into question. The government is scheduled to announce in March the results of its investigation into a purported Japan-U.S. secret pact allowing U.S. ships carrying nuclear weapons to call at Japanese ports. Even so, the U.S. government has not clearly recognized Japan's right to reject passage or port calls by vessels carrying nuclear arms. The three principles are likely to require a further discussion.

The U.S. policy to scrap the Tomahawk missiles is consistent with the principle of not allowing nuclear weapons enter Japanese territory, which is one of the country's three nonnuclear principles. At the same time, some in the Foreign Ministry take the view that the Tomahawk missile functions as a deterrent against North Korea to a certain extent by making that country think that there might be (nuclear weapons) in Japan. A senior government official even expressed this view: "It will be meaningful to review the three principles to allow nuclear weapons to enter Japanese territory even after the Tomahawk is scrapped."

The view runs deep in the Japanese government that scrapping the Tomahawk will affect deterrence against North Korea. How to compensate for the possible impact remains a subject for discussion.

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The United States has made clear its stance of eliminating nuclear

weapons, announcing a plan to replace part of its nuclear deterrent with conventional weapons.

8) PM Hatoyama: A solution will surely be found for Futenma issue

YOMIURI (Page 11) (Full)  
February 23, 2010

Gist of intensive deliberations at House of Representatives Budget Committee on Feb. 22

Following is the gist of questions and answers at the House of Representatives Budget Committee's intensive interpellation on the economy and foreign policy on Feb. 22. The following Diet members asked questions: Motohisa Ikeda (Democratic Party of Japan (DPJ)), Tomoko Abe (Social Democratic Party (SDP)) Mikio Shimoji (People's New Party (PNP)), Junji Higashi (New Komeito), Chizuru Takahashi (Japanese Communist Party) and Keiichiro Asao (Your Party). The Liberal Democratic Party boycotted this session due to the ruling parties' refusal to meet its demand to summon DPJ Secretary General Ichiro Ozawa for questioning in the Diet.

Futenma relocation

Abe: Do the U.S. Marines have to be in Okinawa? It is fully possible to move them out of Okinawa.

Foreign Minister Katsuya Okada: Aside from the Korean peninsula, the presence of the Marines is much more valuable in Okinawa than in other locations in the event of disasters or contingencies in the southern part of Asia and the Pacific.

Abe: This brings no benefit to Okinawa, and Okinawa is forced to tolerate their presence.

Okada: There is no question about the great burden on Okinawa. When discussing this issue, it is absolutely necessary to think of what can be done to reduce the burden on Okinawa. At the same time, the role of U.S. Forces Japan (USFJ) as a deterrent force must not be forgotten.

Higashi: Was the purpose of the visit of Chief Cabinet Secretary Hirofumi Hirano to Okinawa on Feb. 19 and 20 aboard a Self-Defense Forces (SDF) plane to observe Camp Schwab (in Nago City, Okinawa, whose inland area has emerged as a possible relocation site) from the air?

Hirano: The commercial airplanes were fully booked and since it was unpredictable when I might need to return to Tokyo, I traveled on a SDF plane. This was not for the purpose of observing any location from the air.

Higashi: If Futenma relocation is not realized, will the return of the facilities south of Kadena Air Base (KAB) and the relocation of the Marines to Guam also be cancelled?

Okada: The relocation of the Futenma Air Station, the relocation of 8,000 Marines in Okinawa to Guam, and the return of facilities south of the KAB are one package under the Japan-U.S. road map for the implementation of USFJ realignment. They are all linked. (The

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government) is hoping for the relocation of the Marines to Guam and the return of facilities (south of the KAB). If Japan and the U.S. fail to reach agreement on Futenma relocation, it is possible that (the other two projects) may be affected.

Higashi: What is the SDP's thinking on Futenma's relocation site?

Consumer Affairs Minister Mizuho Fukushima (SDP leader): Although the SDP has not made any proposals (on specific relocation sites), the examination committee (of the government and the ruling parties) is engaged in vigorous discussions. I am confident that we can reach a conclusion.

Higashi: Is the PNP proposing relocation to the inland area of Camp

Schwab at the examination committee?

Financial Affairs Minister Shizuka Kamei (PNP leader): We have not proposed this at the examination committee. This is one proposal that has been taken up in discussions within the party. If there are better proposals for the Okinawan people, for Japan, and for the U.S., we will not insist on the inland relocation plan.

Higashi: What is the basis for setting the end of May as the deadline for resolving the issue?

Prime Minister Yukio Hatoyama: We should not wait for the House of Councillors election (this summer) and the Okinawa gubernatorial election (the governor's term ends in December). We decided that the government should be responsible for making a decision before that, so last December, I thought we would need six months' time at most. Since deliberations on the budget would take place from January to April, making it difficult to go to the U.S. or Okinawa, I thought May would be an appropriate deadline.

Higashi: Do you have a timetable for resolving this issue?

Hirano: I am proceeding based on a mental image for the portion that I am responsible for. We have not reached the stage of talking to the relevant officials (such as Okinawa's governor).

Higashi: A political responsibility will arise from failure to resolve this issue.

Hatoyama: If we exert efforts, a solution will surely be found. I will settle this issue without fail by the end of May.

Asao: Tell us your perception of the geographical threat that Japan is facing.

Hatoyama: I think you are referring to the question of what kind of threat is felt from which country, but I believe we should not name (specific) countries when defining threat. There are countries close to Japan that are expanding their nuclear threat or building up their military power. There is the question of the extent of threat they present. Japan needs to maintain the defensive side of its security (capability) properly.

Asao: Was your statement that it is desirable to relocate the Futenma Air Station out of Okinawa based on such a perception?

Hatoyama: It stands to reason that the excessive burden on Okinawa should be reduced.

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## Nuclear deterrence

Asao: Part of Japan's security is derived from its being under the U.S. "nuclear umbrella." Is Japan in a position to speak up to the nuclear powers?

Hatoyama: Japan is a country that is determined not to possess nuclear weapons, and it is an ally of the U.S., which possesses nuclear arms. The reality is that Japan has been able to maintain peace thanks to this arrangement. However, U.S. President Barack Obama himself is talking about "achieving a world without nuclear weapons." The conditions are now ripe for engaging in discussions with the U.S.

## 9) Government to revise campaign pledges flexibly

NIKKEI (Top play) (Lead para.)  
February 23, 2010

The government on Feb. 22 started looking into a mechanism that allows it to flexibly revise show-case policies included in its policy manifesto for the Lower House election, depending on the results of the policies. The National Policy Unit will formulate assessment guidelines to gauge the effects of spending and review the following year's spending based on the level of achievement. The

system is, in a way, tantamount to screening spending pledges in the policy manifesto. The screening will be carried out in April on a trial basis and reflected in the compilation of the fiscal 2012 budget onwards. Determining that implementing all campaign pledges could lead to a further decline in the nation's finances, including increased issuance of government bonds, the government will thus devise a way to cut spending included in the manifesto that is expected to produce minimal results.

10) Hatoyama supports Ozawa's staying on as secretary general

NIKKEI (Page 3) (Excerpt)  
February 23, 2010

The Nagasaki gubernatorial election was the first major local election after the scandal of falsified fund reports involving Democratic Party of Japan Secretary General Ichiro Ozawa's fund-management organization received wide media coverage. Speaking before reporters at the Prime Minister's Official Residence last night, Prime Minister Yukio Hatoyama said: "We should take seriously the fact that the money-and-politics scandal was behind (the DPJ-backed candidate's defeat)." But he emphasized his intention to keep Ozawa in the post of secretary general, saying that the campaign for the House of Councillors' election will be carried out under the current party executive."

11) Muneo Suzuki and others attend Takeshima Day ceremony; chief cabinet secretary rules out government designating a memorial day

SANKEI (Page 5) (Abridged slightly)  
February 23, 2010

A ceremony to commemorate "Takeshima Day," a day designated by Shimane Prefecture, was held in Matsue City on Feb. 22. Takeshima is an inherent part of Japan's national territory that is illegally occupied by South Korea.

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No one from the Democratic Party of Japan or the government attended the fifth Takeshima Day, the first under the Hatoyama administration. However, the event was attended by a total of 10 lawmakers: two from the ruling camp - House of Representatives Foreign Affairs Committee Chairman and New Party Daichi leader Muneo Suzuki and People's New Party House of Councillors member Akiko Kamei; and a record number of eight from the opposition camp, including former Liberal Democratic Party Upper House caucus chairman Mikio Aoki and LDP Organization Chairman Nobuteru Ishihara.

Meanwhile, Chief Cabinet Secretary Hirofumi Hirano made the following comment at a press conference on Feb. 22 that fell on Takeshima Day: "We plan to maintain our stance and work upon South Korea persistently." At the same time, Hirano indicated that the government is not considering designating a memorial day at this point in time.

12) Toyota recall: U.S. federal grand jury issues subpoena with firm's criminal liability in mind

SANKEI (Top play) (Excerpts)  
February 23, 2010

Toyota Motors on Feb. 22 said that it has received a subpoena from a federal grand jury of the U.S. District Court for the Southern District of New York requesting the submission of documents related to defective accelerator pedals on its vehicles and the brake system for its Prius hybrid, which have led to major-scale recalls for free repairs. It is unusual for a grand jury to issue a subpoena over recalls. There is now a possibility of Toyota being held criminally liable.

According to the documents Toyota disclosed through the Tokyo Stock Exchange, the federal grand jury issued a subpoena as of Feb. 8. The Los Angeles office of the U.S. Securities and Exchange Commission has also requested Toyota Motors' U.S. subsidiary to submit similar

documents.

13) APEC growth strategy: Discussion on regulatory reform; senior working-level talks kick off

NIKKEI (Page 5) (Full)  
February 23, 2010

Two-day senior working-level talks sponsored by the Asia-Pacific Economic Cooperation forum (APEC) started in Hiroshima City on Feb. 22. Concerning the region's growth strategy to be formulated this year, participants voiced opinions that policies that will not require public spending, such as regulatory reform, will become important. Participants from some countries asked for the regular provision of information on the progress of talks on a free trade agreement (FTA) among Pacific-rim countries, in which the U.S. has announced its intention to take part.

APEC is composed of 21 countries and areas, including Japan, the U.S., and China. Japan will host this year's meeting for the first time in 15 years. Various ministerial-level meetings have been scheduled in the lead-up to the summit to be held in Yokohama in November. Adjustments will be made at the senior working-level meeting on the main agenda items to be discussed at those meetings.

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At the summit held last year in Singapore, the Japanese government proposed formulating an intra-regional growth strategy. Compatibility with environmental measures and measures to widely benefit small- and medium-size businesses will also be mapped out at the summit in November.

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